

PART IV

Section 1-A

CENTRAL BILLS AND REPORTS OF SELECT COMMITTEES THEREON

NOTIFICATION.

(LAW DEPARTMENT).

No LAW 92 LOA 62, dated Bangalore, 31d October 1962.

Ordered that the Employees' Provident Funds (Amendment) Bill, 1962 (XIV of 1962), which has been published in the *Gazette of India*, Extraordinary, Part II, Section 2, dated the 22nd August 1962, be republished in the *Mysore Gazette*, for general information.

By Order and in the name of the Governor of Mysore

S. SRIPADARAJ,

*Under Secretary to Government,
Law Department.*

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RAJYA SABHA

The following Bill was introduced in the Rajya Sabha on the 22nd August, 1962 —

BILL No. XIV OF 1962

A bill further to amend the Employees' Provident Funds Act, 1952

BE it enacted by Parliament in the Thirteenth Year of the Republic of India as follows —

1. Short title and commencement.—(1) This Act may be called the Employees' Provident Funds (Amendment) Act, 1962

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint

2. Amendment of Section 6 —In sub-section (1) of section 6 of the Employees' Provident Funds Act, 1952 (19 of 1952), in the

viso, for the words "Provided that", the following shall be substituted, namely —

" Provided that in its application to an establishment which is a factory employing fifty or more persons and engaged in an industry manufacturing—

- (i) cigarettes, or
- (ii) electrical, mechanical or general engineering products, or
- (iii) iron and steel, or
- (iv) paper other than hand-made paper,

the said sub-section shall be subject to the modification that for the words "six and a quarter per cent", the words "eight per cent." shall be substituted

Provided further that

STATEMENT OF OBJECTS AND REASONS

The Employees' Provident Funds Act, 1952, which provides for the institution of compulsory contributory provident fund for employees in factories and other establishments and which was initially applied to 6 industries, now covers 63 industries and classes of establishments and over 31 lakhs of workers. The existing compulsory rate of provident fund contribution is 6½% of basic wages, dearness allowance and retaining allowance (if any)

2. In pursuance of the recommendation in the Second Five Year Plan that the question of increase in the rate of provident fund contribution from 6½% to 8-1/3% should be studied, the Government have set up, for that purpose, a Technical Committee consisting of some experts and representatives of employers and workers. After carrying out investigations in respect of the following industries engaged in the manufacture of—

- (i) cigarettes,
- (ii) electrical, mechanical or general engineering products,
- (iii) iron and steel, and
- (iv) paper,

The Committee have recommended, by majority, enhancement of the rate of provident fund contribution to 8% in the above four industries except in the case of establishments employing less than 50 persons and establishments engaged in the manufacture of hand-made paper.

3. The Bill seeks to give effect to this recommendation

NEW DELHI,
22nd August, 1962

GULZARILAL NANDA.

FINANCIAL MEMORANDUM

This Bill seeks to enhance the rate of provident fund contribution from 6½% to 8% of basic wages, dearness allowance and retentive allowance (if any), under the Employees' Provident Funds Act, 1952, in the following four industries —

- (i) cigarettes,
- (ii) electrical, mechanical or general engineering products,
- (iii) iron and steel, and
- (iv) paper

The Act and the Scheme framed thereunder are applicable to establishments belonging to or owned by Government and to establishments, if any, engaged in the above industries will also be required to bear the additional burden of enhanced rate of provident fund contribution. This may involve additional expenditure from the Consolidated Fund of India but the actual additional expenditure involved may be small as most of such establishments have provident fund of their own at a higher rate. It is, however, not possible to estimate this amount.

S. N. MUKERJEE,
Secretary